

In Re:

HITESHRI PATEL,

Chapter 11 Debtor and Debtor-in-Possession

Case No.: 20-17880-KCF
Chapter: 11
Judge: Kathryn C. Ferguson

NOTICE OF PROPOSED COMPROMISE or SETTLEMENT OF CONTROVERSY

HITESHRI PATEL, Chapter 11 Debtor and Debtor-in-Possession, in this case proposes a compromise, or to settle a claim and/or action as described below. If you object to the settlement or compromise, you must file a written objection with the Clerk of the United States Bankruptcy Court, and serve it on the person named below not later 7 days before the hearing date.

Address of the Clerk: Clerk
United States Bankruptcy Court
Clarkson S. Fisher US Courthouse
402 East State Street
Trenton, New Jersey 08608

If an objection is filed, a hearing will be held before the Honorable Kathryn C. Ferguson on August 17, 2021 at 10:00 a.m. at the United States Bankruptcy Court, courtroom no. 2, US Courthouse, 402 East State St., Trenton, NJ 08608 (hearing to be scheduled for at least 28 days from the date of the filing of the notice). If no objection is filed the clerk will enter a *Certification of No Objection* and the settlement may be completed as proposed.

Nature of action: Debtor filed an adversary complaint against NFS Leasing, Inc. ("NFS") seeking a determination regarding the extent, validity and priority of NFS asserted secured claim. NFS caused Objections to be filed to adequacy of Debtor's disclosure statement and confirmation of the Debtor's Chapter 11 Plan. The parties entered into a proposed global Settlement Agreement and Release and seek Court approval.

Pertinent terms of settlement:
Global settlement: NFS would be deemed to hold an allowed secured claim of \$150,000; a Class 4 unsecured claim in the amount of \$1,539,263.27 and receive pro rata distributions as a Class 4 claimant. Within thirty (30) days of the Effective Date, Debtor shall pay the sum of \$20,000; deliver an executed \$130,000 Promissory Note to NFS w/ interest on the unpaid principal @ (3%) per annum to be paid over a six (6) year period in quarterly installments beginning on September 30, 2021. Payment is secured by a mortgage on the Debtor's residence. Prior to the confirmation hearing, NFS will withdraw its Objections to confirmation of the Debtor's Plan, amend its Class 4 and Class 5 Ballots to vote in favor of the Plan, dismiss the Massachusetts litigation without prejudice and costs. Debtor will dismiss the Adversary Proceeding with prejudice and without costs.

Objections must be served on, and requests for additional information directed to:

Name: Melinda D. Middlebrooks, Esq.

Address: Middlebrooks Shapiro, P.C., 841 Mountain Avenue, First Floor, Springfield, New Jersey 07081

Telephone No.: (973) 218-6877